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### Social & Personal

President Ben-Gur yesterday, on his return from leave, received Mr. Moshe Sharett, the Prime Minister and Foreign Minister.

The Prime Minister, Mr. Moshe Sharett, yesterday presented Mr. George Lederman, Commissioner of Public Works in the City of New York, Treasurer of the National Council, leader of the Associated Mass Workers Union, with a parchment scroll in recognition of his efforts on behalf of State of Israel Bonds. The Minister of Labour, Mrs. Golda Meir, presented him with a hand-hammered copper plate. Mr. Lederman and Mr. Shragai Cohen of New York were also received by the Minister of Finance, Mr. Levi Eshkol.

With Mr. Sharett he held a reception at their home for Mr. and Mrs. Lederman and Mr. Cohen. The Minister presented Mr. Lederman with an album of Israel stamps. Among the guests were Dr. Shlomo Agnon, Mr. Yosef Hayim and Religious Affairs, Mr. Moshe Shapira, and the Deputy Minister, Mr. E. Warhaftig.

The British Ambassador and Mrs. Nichols, Mr. and Mrs. W. H. Marsh, Labour Minister yesterday, visited Kfar Shalem, the Hesder Gofield Children's Village of the Mizrahi Women's Organization of America at Haifa.

Reports from Greece, Holland, Britain and the U.S. working in Israel as part of the Expanded Programme of Technical Assistance of the U.N. and Specialized Agencies, accompanied by the U.N. Resident Representative and Mrs. C. H. Schlesinger, who were guests of Mayor Abba Roushby for an inspection tour of Haifa on Sunday. They were entertained to tea at the residence of Professor and Mrs. Walter Lowdermilk.

The Tel Aviv Branch of the Anti-Tuberculosis League is to hold a fashion show and garden party at 8.30 this evening at the S.O.A. House.

**BEN-DOR MEMORIAL**  
A memorial meeting marking the seventh anniversary of the death of Yitzhak Ben-Dor, the "Davar" correspondent killed during the siege of Jerusalem in 1948, was held yesterday afternoon in Haifa Holocaust cemetery in Jerusalem.

The deceased was eulogized by Mr. Z. Shazar, of the Jewish Agency Executive, and Mr. E. Carenkoff, chairman of the Jerusalem Journalists Association.

### Goat Hair, Goose Feathers Exported

**HAIFA**, Monday.—Exports shipped through Haifa Port dropped to 2,294 tons last week. The exports were made up of 29 articles sent to 13 countries.

Of the total, 2,284 tons was cement. Turkey is to get 2,754 tons and Cyprus 180 tons. Cement was followed by 51 tons of cotton cloth to Italy and Turkey; 50 tons of soap to Holland and 20 tons of plate glass to the U.S. and Greece.

Items sent in smaller quantities included 300 kg. of goat hair and 300 kg. of feathers sampled to Germany; 200 kg. of wine to Belgium; 600 kg. of curtain material to Turkey, and 12 tons of goose feathers to France.

**WHALE**  
10.90

### JERUSALEM

Your Lunch and Dinner at "Haifa" Restaurant, Diamond St. 101. Good, reasonable food and service. Oldest establishment in Israel.

**Exhibitions**  
Watercolours of wild plants by Mr. Cooper at Mosaic Art Gallery, 5 Mahaneh Arava, 10-3-4 P.M.

"Conquest of the Desert" permanent exhibition at the former Israel pavilion at the international exhibition "The Desert" Exhibition 10-1-4-6.

Department of antiquities special exhibition: Excavations of a Byzantine Temple in the 4th-5th centuries A.D. (XIV-XVth centuries) at the site of the former Monastery of St. Simeon. Tel Aviv, 10-1-4-6.

Abstract and Surrealist Art. Also exhibition of the Miniature School. Paintings of illuminated Ashkenazi Passover Haggadah. Benai Museum, 9-1-4-6.

Paintings by Pinhas Almogov. Artists House, 10-1-4-6.

\* **Theatre**  
Mitschah Olai Britannia, 2. Hesdai and S. Appelbaum on "The Fight for Citizenship" (Shalom Shapira). Hesder Hall, 10-1-4-6.

Abstract and Surrealist Art. Also exhibition of the Miniature School. Paintings of illuminated Ashkenazi Passover Haggadah. Benai Museum, 9-1-4-6.

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"Haifa" (Ost Brittania), 2. Hesdai and S. Appelbaum on "The Fight for Citizenship" (Shalom Shapira). Hesder Hall, 10-1-4-6.

\* **Concerts**  
10. Compositions for Music and architectural works by E. Schlesinger. Tel Aviv, 10-1-4-6.

\* **Concerts**  
"Haifa Flower Days" (Yours). Guest Conductor from the U.S.A. SIMON ASEN and BRENDA LEWIS.

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## Economic News from Abroad

**U.S. Steel**  
• The U.S. steel industry's rate of operation has climbed from 50 per cent of theoretical capacity at the beginning of the year to 60 per cent, the highest rate which can be steadily maintained in practice. Steel manufacturers now expect operations to be sustained at 60 per cent of capacity during the summer, which is usually a slack season. Car production and sales are so high that factories have not been able to build up steel stocks. The demand for other kinds of steel is also very brisk, and the companies have also forecasted substantial expansion of

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Tuesday, May 24, 1955  
Shekel 5. Shekels 5. 1955

**CONTRADICTORY** tendencies have been manifested on the local money market in the past few weeks. On the one hand any

**EMBARRAS** have had concerning Mr. Horowitz's prediction that as we

**MISCHIESES** have entered a period of rapidly

expanding monetary means (it

now measures 100 million), the trend has been dispelled by subsequent development. Money circulation has failed to climb down from its Pesach peak of £1.15m. and lately even exceeded that amount. But Bank deposits also increased to £1.81m. by the end of March, i.e. 10 per cent above the level at the end of December, and in the cooperative societies the rise was 13 per cent.

No statistical summaries have yet been published for April, but inferences may be drawn from the Bank of Israel balance sheet for the end of the month which shows that the statutory deposit of banking institutions "deposits" continued to grow (from £1.307m. to £1.336m., i.e. over nine per cent in a single month), while excess balances jumped from £1.30m. to £1.32m. despite the fact that trade agreement accounts to the tune of £1.1m. were transferred to the Bank of Israel during the same period.

The Government too had no sooner repaid its £1.36m. advance from the Bank than it borrowed £1.31m. (comprising the £1.3m. "Debt" of which only £1.05m. were used for covering of local money in circulation. As a matter of fact, the Treasury is now considering a proposal to allow residents to keep accounts in foreign currency in order to reduce the impact of this influx of ready cash on the internal economy).

On the other hand, the economy affords a spectacle of cash shortage, if anything. Goods and services are stable and in some trades even lower than a year ago. In textiles and household goods a buyers' market prevails. Prices of "selected commodities" have dropped sharply, partly due to Government intervention in these imports. Nor is there any rush for flats or other "inflation proof" investments. Quite the contrary, an unprecedented weakness has been displayed by the black market for gold and dollars which are now quoted some 25 per cent below a year ago and within 20 per cent of official rates.

Demand for credit also continues unabated, and seemingly limitless amounts of capital could be placed in the market at interest rates of 15-20 per cent and above. While bank loans have been kept under tight control by Government regulations, an expansion has doubtless taken place in the volume of "free" credits both for productive and for consumptive purposes, e.g. in the form of "clients credits" which are beginning to play a role similar to that of "hire-purchase" loans abroad.

It is small wonder that this situation has been cited as proof that, far from being threatened by inflation, the economy should be considered to be in credit and that if the Government remains adamant in this respect, something should at least be done to reduce the heavy burden of interest. Advocates of this policy demand that the interest on bank deposits be limited, and in particular want the old Ottoman laws which make interest in excess of nine per cent a criminal offence to be enforced. However, the sanctity of this figure is far from obvious. And just as it is evident that no interest of six per cent could be imposed on our economy at the present moment, so there is no reason attempting to enforce any other rate which cannot be borne out by economic facts.

For the time being the high rate of interest has palpably been instrumental in attracting residents capital previously moved abroad, and in lowering some prices by forcing firms to dispose of excessive stocks. It could even be argued that too little use is being made of this classical instrument of economic direction now that the Government has divested itself of most other weapons of direct control. At any rate nothing can be done to reduce interest rates below interest rates if only the banks could be allowed to expand credit in order to undercut the limited "free" market. But if this is not done and the nation's present demand for credits is considered excessive in respect to the real resources at our disposal, then the only wise purpose would be served by making this scarce credit artificially cheaper.

## PRICE OF WATER FOR FARMING

By Our Economic Editor

The industry of demand is maintained. An independent survey recently predicted a rise of five per cent in spending on new plant and equipment in 1955. The industry's productivity has also been vastly increased by new techniques and economies thanks to high prices and near-capacity operation. This profitable position will hardly be affected much by the wage rise which is likely to result from current negotiations with the steelworkers' union.

**Atoms for Turkey**  
• Turkey is to be the first country in the Middle East to develop atomic power for peaceful purposes. It is to get enriched metallic uranium for fueling a reactor, and the requisite technological data, from the U.S. Government.

**Swiss Industries Fair**  
• Visitors to the Swiss Industries Fair numbered over 700,000. Interest in watches and capital investment goods was particularly high.

**Britain for Free Trade**  
• British financial circles are pressing Germany and Holland to continue their trade agreements with Britain and to multilateralize their trading practices. Under the present agreements with Brazil, German importers of Brazilian products have been able to buy "clearing dollars" at less than the official rate, offer cotton and coffee to Britain, writes Mr. Ernest Oppenheimer, Chairman of British Consolidated Mines. All diamond producers in the Commonwealth, the Cullinan Company, is raising its monthly output from 57,000 carats to 70,000 by the end of this year, and the Williamson Diamonds Company of Tanganyika is expecting a larger output. While prospects for general diamond consumption are not encouraging, new markets will have to be found for industrial stones, large quantities of which are now being purchased by the U.S. Government for stockpiling purposes.

**Free Diamond Imports**  
• Since West German imports were first liberalized in February 1954, purchases from the dollar area have risen by 50 per cent. Last month twice as much as West German imports as a whole. Nevertheless, an additional free list of dollar imports was introduced last November. This is the third time that a new list has been introduced to some extent. It is to include agricultural articles for the first time. Evidently, the Bonn authorities are satisfied that these free imports will not harm their country's balance of payments.

**Lessons of Success**  
• By Our Economic Correspondent

BY all accounts, this spring was the best tourist season Israel ever had. Statistics show that April, the peak month of the year, brought 80 per cent more visitors than a couple of years ago and 18 per cent more than last year, and earned us a million dollars. Hotel managers and transport people admit that this time their efforts were more than fulfilled. In some cases it was difficult to book rooms on short notice.

The boom was, of course, not felt equally everywhere. People stayed longer in Tel Aviv than they did in Jerusalem and some hotels are more sought after than others. But the general balance sheet is admitted to be favourable and it is both worth while and necessary to look into the causes of this success.

There is, first, the result of investments made during recent years. The building of a number of first-class hotels in various parts of the country provided those tourists who ask for a maximum of comfort with adequate and ample opportunities for even more comfortable surroundings. This is important especially for those of our American visitors who are accustomed to a certain standard and will be induced to come and stay only if they do not miss them here.

The second, and perhaps more important reason, in the new report, is the exchange rate. When it was introduced, the authorities left the choice of either paying through the nose for his sojourn in Israel or selling his hard currency on the black market. Only a minority was ready to resort to the second and disagreeable course, the majority simply thought it was better either to stay away or tell their friends upon returning, that the trip was costly.

This obstacle has now been removed. Gone, also, is the unpleasant feeling of the tourist during the period of rationing that he enjoyed food and amenities which were not available to his friends and relatives here. For the first time this year Is-

rael provided the visitor with "normal" facilities, with full shops and a choice of restaurants open to all.

The acquisition of a number of comfortable sightseeing cars has also had favourable results. The visitor is able to move around the country without discomfort, with the help of train guides and according to prepared schedules.

What then is to be done to keep up this "normal export" of tourism? It is clear that the obvious that the success is not due to the exertions of the tourist trade alone but to the general improvement and stabilization of the economy. Good supplies, tolerable transport and the general feeling that things are on the way to recovery are as important as the comfort of the tourist as good meals and rooms. The various branches of an economy are interdependent.

We also have to enquire whether the profits of the various hotel-keepers square with the dollar rates of the country as a whole. It will not be easy to predict how the new enterprises which have come into existence in the past few years are going to thrive. They have been financed in various ways, sometimes very unorthodox. Other people expect too quick returns on their investments.

The first requirement of adequate return and speedy hotel amortization is a reasonably long season. Our own is limited both by our climate and by the vacation period abroad, which during certain periods is only during certain months.

It is therefore necessary to combine services for people from abroad with services for Israelis. For the latter, however, most of the new enterprises have not been successful. They will not be able to bring in foreign tourists for the Israel market. As this is not an additional investment or overhead and makes it possible to keep staff all year round, it would not present much of a problem.

A longer season for overseas visitors would mean more amenities for genuine vacationing and sightseeing, which brings historic and modern Israel home to the visitor. A land with good beaches and a lake like the Kinneret should provide all the facil-

ties for water sports, from sailing to "skin-diving." Those who might even persuade some of our youth to consider to spend their vacation here instead of going off abroad, as has become the fashion recently, will be the ones who will benefit.

Visitors from overseas are going home this year with favourable reports about conditions in Israel, about the new hotels, good food, improved food and services. They will spread this satisfied mood among their acquaintances abroad and encourage others to follow their example. For the coming season all depends on our ability to keep up the pace of improvement and to improve on it. Although it remains true that the main attraction of Israel is its interest as the country of the Jewish renaissance and of development this asset must be exploited by initiative and conscientious work.

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## Stocks and Commodities

### Tel Aviv Steady During Slow Week

By M. S. LEVINE

The volume of business on

the Tel Aviv stock market

decreased and the fluctuations

were much smaller than in pre-

vious weeks. Generally the tone

was steady, with Tavel Dollar

advancing a few points, Pa-

lestine Polish Pref. gaining

value, which is IL1.800. His-

trong in the Government Bonds

section, the tone was firm. 4

per cent Israel Registered Sterl-

ing "A" Stock was slightly

higher (92%), while its price

in London was 20 sh.

Palestine Cold Storage issues,

which for a number of weeks

had been under pressure, recov-

ered and lost some five points

during the week. Bank Leumi

shares dropped by two points

to 275, while their price in Lon-

don is now 7/8d. Two points

were also lost by Palestine

Electric 2d. Pref. which stood

at 250, while their price in Lon-

don is 5/8d.

At the end of the week, the

market was 20 points

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